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SUBJECT: LOOKING AHEAD TO ELECTIONS, INDONESIA'S POLITICAL PARTIES CHOOSE NEW LEADERS

REF: JAKARTA 1699

**¶1.** (U) SUMMARY: Moderate Islamic-oriented National Mandate Party (PAN) boosted President Yudhoyono's clout when it tapped his close ally as party chair--Coordinating Minister for the Economy Hatta Rajasa. Rajasa and other leaders emerging from Indonesia's current series of national party congresses are likely to loom large in the political landscape as parties gear up for 2010 regional elections. The newly appointed party chairs will impact the dynamics of President Yudhoyono's ruling coalition and may emerge as presidential candidates in 2014. END SUMMARY.

KEY COALITION PARTNER CHOOSES YUDHOYONO ALLY AS CHAIR

**¶2.** (U) Parliament's fifth largest party, PAN, selected Hatta Rajasa, formerly State Secretary and currently Coordinating Minister for the Economy, as General Chair on January 9. Rajasa replaces outgoing Chair Soetrisno Bachir, who did not run for re-election. Rajasa is President Yudhoyono's close ally and one of his most influential advisors. PAN is often in a pivotal position in Parliament as it sometimes shifts between the ruling and opposition camps. This is the case now, since PAN has allied with Yudhoyono's Partai Demokrat while Golkar and the other secular parties have aligned with the opposition in the Bank Century inquiry. PAN is a moderate, Islamic-oriented party which is closely tied to Muhammadiyah, the country's second largest Islamic organization. It has a strong urban following as a pluralistic, nationalist party.

**¶3.** (U) At stake in the PAN election was Rajasa's political clout and Yudhoyono's influence over a key coalition partner. Most political pundits believe that PAN chose Rajasa over his challenger, former MP Dradjad Wibowo, so that Yudhoyono could shore up the coalition that Parliament's Bank Century inquiry has destabilized. The selection process was unconventional; at the eleventh hour, PAN founder Amien Rais announced that no voting would take place because a "gentleman's agreement" had been reached. Wibowo then withdrew his candidacy amid protests. The steering committee then appointed Rajasa as chair, Wibowo as deputy chair, and current MP Taufik Kurniawan, as new secretary general.

PARTY CONGRESSES DETERMINE INDONESIA'S NEXT LEADERS

**¶4.** (U) Indonesia's political parties and other mass organizations traditionally hold "congresses" every five years to set up new central boards, revise their constitutions and evaluate their performance. Before the national Congress, each district branch holds a local congress to decide who to send to the national congress, where the branches can vote for new leadership. Two thirds

of the branches must attend the congress. Parties also use congresses to formulate policies and strategize for the next elections. This is a key year for parties and candidates to position themselves for the 2014 presidential elections, as Indonesia will hold local-level elections throughout the country.

¶ 15. (U) Currently, senior party politicians hold twenty of the thirty-seven cabinet-level positions. With his new position, Rajasa becomes one of three Ministers who hold party chief posts. Recently elected Golkar leader Aburizal Bakrie (also a key presidential ally - see reftel) was previously Coordinating Minister for the People's Welfare. As Indonesia gears up for its 2010 local level elections, Rajasa and Bakrie will likely begin positioning themselves as 2014 presidential candidates. Meanwhile, major opposition party Indonesian Democratic Party of Struggle (PDI-P) and the President's Partai Demokrat (PD) will choose new leaders in their congresses in April and May respectively.

HUME